

# United Cities Gas Company

## Illinois Distribution System

Test Year Margin Surplus / (Deficiency) at Current Rates  
Test Year Ended September 30, 1999

Line No.	Description	Total	Residential	Small Commercial	Large Commercial & Cogeneration	Interruptible	Schedule Reference
1	O&M Expense	\$5,423,900	\$4,654,120	\$582,754	\$108,525	\$78,501	7
2							
3	Interest on Customer Deposits	3,342	2,103	733	118	388	7
4							
3	Depreciation & Amortization Expense	1,776,123	1,450,098	264,881	43,850	17,294	7
4							
5	Property & Other Taxes	217,630	177,682	32,456	5,373	2,119	7
6							
7	Interest Expense	990,620	808,782	147,735	24,457	9,646	5
8							
9	Income Taxes	1,041,136	850,025	155,269	25,704	10,138	5
10							
11	Equity Return	1,578,404	1,288,672	235,394	38,969	15,369	5
12							
13	Margin Requirement	\$11,031,155	\$9,231,482	\$1,419,222	\$246,996	\$133,455	
14							
15	Margin at Present Rates	\$7,896,814	\$5,921,919	\$1,352,519	\$439,635	\$182,741	9
16							
17	Margin Surplus / (Deficiency) 1/	(\$3,134,341)	(\$3,309,563)	(\$66,703)	\$192,639	\$49,286	
18							
19	Adjustment for Bad Debt Expense	(\$22,731)	(\$23,829)	(\$480)	\$1,387	\$355	
20							
21	Adjusted Margin Surplus/(Deficiency)	(\$3,157,072)	(\$3,333,392)	(\$67,183)	\$194,026	\$49,641	
22							
23	Net Margin Surplus / (Deficiency) 2/	(\$3,157,072)	(\$2,642,013)	(\$406,176)	(\$70,689)	(\$38,194)	
24							
25	Number of Customers	24,583	22,628	1,939	14	2	3
26							
27	Surplus / (Deficiency) per Customer	(\$128.43)	(\$116.76)	(\$209.52)	(\$5,049.21)	(\$19,097.00)	

1. Before adjustment for bad debt expense on revenue increase.

2. Net Margin Surplus / (Deficiency) is allocated based on each class' percent of Margin Requirement

**United Cities Gas Company**  
**Illinois Distribution System**  
Test Year Return on Rate Base at Current Rates  
Test Year Ended September 30, 1999

Line No.	Description	Total	Residential	Small Commercial	Large Commercial & Cogeneration	Interruptible	Schedule Reference
1	Margin at Current Rates	\$7,896,814	\$5,921,919	\$1,352,519	\$439,635	\$182,741	9
2							
3	O&M Expense	5,423,900	4,654,120	582,754	108,525	78,501	7
4							
5	Interest on Customer Deposits	3,342	2,103	733	118	388	7
6							
7	Depreciation & Amortization Expense	1,776,123	1,450,098	264,881	43,850	17,294	7
8							
9	Property & Other Taxes	217,630	177,682	32,456	5,373	2,119	7
10							
11	Interest Expense	990,620	808,782	147,735	24,457	9,646	5
12							
13	Total Expenses	8,411,615	7,092,785	1,028,559	182,323	107,948	
14							
15	Pre-Tax Income	(514,801)	(1,170,866)	323,960	257,312	74,793	
16							
17	Income Taxes <sup>1</sup>	(204,608)	(409,803)	113,386	90,059	26,178	
18							
19	Net Income	(310,193)	(761,063)	210,574	167,253	48,615	
20							
21	Add: Interest Expense	990,620	808,782	147,735	24,457	9,646	
22							
23	Return	\$680,427	\$47,719	\$358,309	\$191,710	\$58,261	
24							
25	Rate Base	\$25,335,546	\$20,684,955	\$3,778,394	\$625,502	\$246,695	4
26							
27	Rate of Return on Rate Base	2.69%	0.23%	9.48%	30.65%	23.62%	

1. Composite tax rate from Schedule 8 multiplied by Pre-Tax Income.

**United Cities Gas Company**  
**Illinois Distribution System**  
Test Year Return on Rate Base at Proposed Rates  
Test Year Ended September 30, 1999

Line No.	Description	Total	Residential	Small Commercial	Large Commercial & Cogeneration	Interruptible	Schedule Reference
1	Margin at Proposed Rates	\$11,052,130	\$8,470,763	\$1,861,334	\$481,573	\$238,460	9
2							
3	O&M Expense	5,423,900	4,654,120	582,754	108,525	78,501	7
4							
5	Adjustment - Bad Debt Expense	22,731	23,829	480	(1,387)	(355)	
6							
7	Interest on Customer Deposits	3,342	2,103	733	118	388	7
8							
9	Depreciation & Amortization Expense	1,776,123	1,450,098	264,881	43,850	17,294	7
10							
11	Property & Other Taxes <sup>1</sup>	217,630	177,682	32,456	5,373	2,119	7
12							
13	Interest Expense	990,620	808,782	147,735	24,457	9,646	5
14							
15	Total Expenses	8,434,346	7,116,614	1,029,039	180,936	107,593	
16							
17	Pre-Tax Income	2,617,784	1,354,150	832,294	300,637	130,867	
18							
19	Income Taxes <sup>2</sup>	1,040,438	538,207	330,795	119,488	52,013	
20							
21	Net Income	1,577,346	815,943	501,499	181,149	78,854	
22							
23	Add: Interest Expense	990,620	808,782	147,735	24,457	9,646	
24							
25	Return	\$2,567,966	\$1,624,725	\$649,234	\$205,606	\$88,500	
26							
27	Rate Base	\$25,335,546	\$20,684,955	\$3,778,394	\$625,502	\$246,695	4
28							
29	Rate of Return on Rate Base	10.14%	7.85%	17.18%	32.87%	35.87%	

1. Other Taxes are grossed up to reflect the increase in Revenues under Proposed Rates vs. Current Rates.

2. Composite tax rate from Inputs F11 times pre-tax income

United Cities Gas Company  
A Division of Atmos Energy Corporation  
Net Operating Income for Return  
Twelve Months Ending September 30, 1999

Line No.	(1) Description	(2) Illinois Division After Allocation	(3) Accounting Adjustments	(4) RATE DESIGN ADJUSTMENTS	(5) Illinois After Accounting & Rate Design Adjustments (Normalized)	(6) Adjustments To Reflect Proposed Rate Increase	(7) Illinois After Adjustments For Rates
	<b>Operating Revenue</b>			a/			
1	Base Revenue	\$ 14,080,044	\$ 3,650,651	(9,879,457)	\$ 7,851,238	\$ 3,157,134	\$ 11,008,372
2	PGA Revenue	-			-		-
3	Other Revenue	45,576			45,576		45,576
4	Total Operating Revenue	\$ 14,125,620	3,650,651	(\$9,879,457)	7,896,814	3,157,134	11,053,948
	<b>Operating Expenses</b>						
5	Production	\$ 6,391,866	3,481,981	(9,873,687) b/	159		159
6	Storage	514	76		591		591
7	Transmission	2,294	61		2,356		2,356
8	Distribution	1,592,660	268,585		1,861,245		1,861,245
9	Customer Accounts	760,322	68,262		828,584	22,731	851,316
10	Customer Service	58,784	11,441		70,225		70,225
11	Sales Promotion	20,971	4,199		25,170		25,170
12	Admin. & General	2,792,715	(157,145)		2,635,570		2,635,570
13	Interest on customer deposits	3,809	(467)		3,342		3,342
14	Depreciation and Amort.	1,281,189	494,934		1,776,123		1,776,123
15	Taxes other than Income	455,284	(237,654)		217,630		217,630
16		13,360,408	3,934,274	(\$9,873,687)	7,420,995	\$22,731	7,443,726
17	Interest Expense	-			990,620 d/		990,620 d/
	<b>Total Expenses</b>	13,360,408	3,934,274	(\$9,873,687)	8,411,614	22,731	8,434,346
	<b>Pre-Tax Income</b>	765,212	(283,623)		(514,800)		2,619,602
18	Income Taxes	254,705	(457,019)	2,293 c/	(204,607) e/		1,041,161 e/
19	<b>Net Income</b>	510,507	173,396		(310,193)		1,578,441
20	Add: Interest Expense				990,620 d/		990,620 d/
21	<b>Return on Rate Base \$</b>	510,507	\$ 173,396		\$ 680,427		\$ 2,569,061
22							
23							
24							
25	<b>Rate Base - Original Cost</b>				\$ 25,335,546		\$ 25,335,546
26							
27	<b>Rate of Return - Original Cost</b>				2.69%		10.14%

a/ DMI ADJUSTMENTS

Remove Dwight's PGA Revenue Weather Norm. Adjustment	(2,605,621)
Remove Dwight's PGA Revenue Weather Norm. Adjustment NO. 2	(876,352)
Remove Gas Costs	(6,391,715)
	(9,873,687)
Adjust revenues to Revenues At Present Rates	(5,890)
	(9,879,577)

b/ To remove gas cost and gas cost adjustment (9,873,687)

c/ To adjust FIT to statutory rate

d/ Interest component of return times rate base (3.91%) \$990,620

e/ Composite tax rate (39.75% times pre-tax return)

# United Cities Gas Company Illinois Distribution System

Exhibit JMI-1  
Schedule 3  
Page 5 of 34

## Functionalization Factors Test Year Ended September 30, 1999

Line No.	Allocation Factor	Item	Total	Production	Storage	Transmission	Distribution	Schedule Reference
<b><u>Rate Base</u></b>								
1		Gas Plant	\$29,990,133	\$302,069	\$98	\$2,294,575	\$27,393,391	14
2	GP	Gross Plant Percent	100.00%	1.01%	0.00%	7.65%	91.34%	
3								
4	GAS	Storage Gas Cost Allocation	100.00%	0.00%	0.00%	0.00%	100.00%	
5								
6		<b><u>Expenses</u></b>						
7		Operation & Maintenance Expense	\$1,864,350	\$159	\$591	\$2,356	\$1,861,245	15
8	O&M	O & M Percent	100.00%	0.01%	0.03%	0.13%	99.83%	

# United Cities Gas Company

## Illinois Distribution System

Exhibit JMI-1  
Schedule 3  
Page 6 of 34

### Classification Factors

Test Year Ended September 30, 1999

Line No.	Allocation Factor	Item	Total	Customer	Demand	Commodity	Direct	Schedule Reference
1	PROD	Production	100.00%	0.00%	100.00%	0.00%	0.00%	
2	STOR	Storage	100.00%	0.00%	50.00%	50.00%	0.00%	
3								
4	TRAN	Transmission	100.00%	0.00%	100.00%	0.00%	0.00%	
5								
6	MIN	Minimum Sytem Analysis	100.00%	77.01%	22.99%	0.00%	0.00%	11
7								
8	DIST	Distribution Analysis	100.00%	88.42%	10.78%	0.00%	0.80%	10
9								
10	DIST-A	Distribution	100.00%	89.14%	10.86%	0.00%	0.00%	10
11								
12	C-ONLY	Customer Only	100.00%	100.00%	0.00%	0.00%	0.00%	
13								
14	D-ONLY	Demand Only	100.00%	0.00%	100.00%	0.00%	0.00%	
15								
16	CM-ONLY	Commodity Only	100.00%	0.00%	0.00%	100.00%	0.00%	
17								
18	DIR	Direct Assignment	100.00%	0.00%	0.00%	0.00%	100.00%	

# United Cities Gas Company Illinois Distribution System

Customer Class Allocation Factors  
Test Year Ended September 30, 1999

Exhibit MI-1  
Schedule 3  
Page 7 of 34

Line No.	Allocation Factor	Item	Total	Residential	Small Commercial	Large Commercial & Cogeneration	Interruptible	Schedule Reference
1	CUST	12-Month Average Customers	24,583	22,628	1,939	14	2	
2		Customers (%)	100.00%	92.05%	7.89%	0.06%	0.01%	
3		Weighting		1.00	1.80	2.10	2.50	12
4		Weighted by Relative Service Investment	26,152	22,628	3,489	29	5	
5	CUST-S	Weighted Customers (%)	100.00%	86.53%	13.34%	0.11%	0.02%	
6		Weighting		1.00	4.20	17.30	17.30	13
7		Weighted by Relative Meter Investment	31,047	22,628	8,142	242	35	
8	CUST-M	Weighted Customers (%)	100.00%	72.88%	26.23%	0.78%	0.11%	
9		Annual Sales Volumes <sup>1</sup>	32,724,871	20,590,283	7,173,616	1,157,877	3,803,095	
10		Annual Sales Volumes (%)	100.00%	62.92%	21.92%	3.54%	11.62%	
11		Annual Volumes <sup>2</sup>	36,555,977	20,590,283	7,173,616	4,988,984	3,803,095	
12	VOL	Annual Volumes (%)	100.00%	56.33%	19.62%	13.65%	10.40%	
13		Peak Day Volume <sup>3</sup>	394,985	258,426	80,404	37,590	18,566	
14		Peak Day Volume (%)	100.00%	65.43%	20.36%	9.52%	4.70%	
15	PEAK	System Load Factor <sup>4</sup>	25.36%	21.83%	24.44%	36.36%	56.12%	
16		Average & Peak Factor (%) <sup>5</sup>	100.00%	64.79%	20.75%	8.00%	6.46%	
17	A&P	Total Rate Base	\$25,335,546	\$20,684,955	\$3,778,394	\$625,502	\$246,695	4
18		Total Rate Base (%)	100.00%	81.64%	14.91%	2.47%	0.97%	
19	RB-TOT							

1. Weather normalized Test Year Sales Volumes.

2. Weather normalized Test Year Sales Volumes plus weather normalized Test Year Transportation Volumes.

3. As estimated by Atmos Gas Supply Department.

4. [Annual Volumes / (Peak Day Volume x 365)].

5. [Annual Volumes (%) x System Load Factor] / [Peak Day Volume (%) x (1 - System Load Factor)].

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Prepared By Daniel M. Ives  
Lukens Consulting Group, Inc.

**United Cities Gas Company**  
**Illinois Distribution System**

Exhibit CMI-1  
Schedule 3  
Page 8 of 34

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Prepared By Daniel M. Ives  
Lukens Consulting Group, Inc.

**United Cities Gas Company**  
**Illinois Distribution System**  
Functionalization of Rate Base  
Test Year Ended September 30, 1999

Line No.	Rate Base Items	Total	Production	Storage	Transmission	Distribution	Allocation Factor	Schedule Reference
1	Gas Plant	\$29,990,133	\$302,069	\$98	\$2,294,575	\$27,393,391	GP	14
2	Intangible Plant	233,304	2,350	1	17,850	213,103	GP	14
3	General Plant	8,679,852	87,426	28	664,104	7,928,294	GP	14
4	Atmos Corporate Plant	0	0	0	0	0	GP	8
5	UCG Corporate Plant	0	0	0	0	0	GP	8
6	CWIP	2,163,418	21,791	7	165,525	1,976,095	GP	8
7	Materials & Supplies	282,520	2,846	1	21,616	258,057	GP	8
8	Storage Gas	3,400,755				3,400,755		8
9	Deferred Purchase Gas Costs	\$0				0		
10	Other Deferral and Amortizations	343,456				343,456	GP	
11	Working Capital Allowance	678,385	6,833	2	51,904	619,646	GP	
12								
13		<u>\$45,771,822</u>	<u>\$423,315</u>	<u>\$137</u>	<u>\$3,215,574</u>	<u>\$42,132,796</u>		
14	<b>Deductions:</b>							
15	Depreciation & Amortization <sup>1</sup>	(\$17,863,772)	(\$179,929)	(\$59)	(\$1,366,775)	(\$16,317,009)	GP	8
16	Deferred Income Taxes <sup>1</sup>	(2,492,808)	(25,108)	(8)	(190,727)	(2,276,965)	GP	8
17	Customer Deposits	(60,765)	(612)	0	(4,649)	(55,504)	GP	8
18	Customer Advances	(18,931)	(191)	0	(1,448)	(17,292)	GP	8
19	Investment Tax Credits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	GP	
20								
21		<u>(\$20,436,277)</u>	<u>(\$205,840)</u>	<u>(\$67)</u>	<u>(\$1,563,599)</u>	<u>(\$18,666,771)</u>		
22								
23	<b>Rate Base</b>	<u>\$25,335,546</u>	<u>\$217,475</u>	<u>\$70</u>	<u>\$1,651,975</u>	<u>\$23,466,026</u>		

1. Includes corporate allocations.

# United Cities Gas Company

## Illinois Distribution System

Classification of Rate Base  
Test Year Ended September 30, 1999

Line No.	Rate Base Items	Total	Customer	Demand	Commodity	Direct	Allocation Factor
1	Production	\$217,475	\$0	\$217,475	\$0	\$0	PROD
2	Storage	70	0	35	35	0	STOR
3	Transmission	1,651,975	0	1,651,975	0	0	TRAN
4	Distribution	23,466,026	20,749,785	2,529,249	0	186,992	DIST
5							
6	<b>Rate Base</b>	<b>\$25,335,546</b>	<b>\$20,749,785</b>	<b>\$4,398,734</b>	<b>\$35</b>	<b>\$186,992</b>	

**United Cities Gas Company**  
**Illinois Distribution System**  
Allocation of Rate Base  
Test Year Ended September 30, 1999

Line No.	Rate Base Items	Total	Residential	Small Commercial	Large Commercial & Cogeneration	Interruptible	Allocation Factor
1	<b>Production</b>	\$0	\$0	\$0	\$0	\$0	
2							
3	<b>Storage</b>	0	0	0	0	0	
4							
5	<b>Transmission</b>						
6	Customer	0	0	0	0	0	CUST
7	Demand	1,651,975	1,070,330	342,834	132,172	106,639	A&P
8	Commodity	0	0	0	0	0	VOL-T
9	Direct	0	0	0	0	0	
10							
11	<b>Distribution</b>						
12	<b>Mains</b>						
13	Customer <sup>1</sup>	7,762,689	7,145,471	612,166	4,421	631	CUST
14	Demand <sup>2</sup>	2,317,189	1,516,060	471,692	220,523	108,914	PEAK
15	Commodity <sup>3</sup>	0	0	0	0	0	VOL-T
16	<b>Services</b>						
17	Customer <sup>1</sup>	7,796,859	6,746,265	1,040,337	8,765	1,492	CUST-S
18	Demand <sup>2</sup>	0	0	0	0	0	PEAK
19	Commodity <sup>3</sup>	0	0	0	0	0	VOL-T
20	<b>Meters\Regulators</b>						
21	Customer <sup>1</sup>	4,437,243	3,234,013	1,163,669	34,615	4,946	CUST-M
22	Demand <sup>2</sup>	0	0	0	0	0	PEAK
23	Commodity <sup>3</sup>	0	0	0	0	0	VOL-T
24	<b>Other</b>						
25	Customer <sup>1</sup>	752,994	693,123	59,381	429	61	CUST
26	Demand <sup>2</sup>	212,060	138,744	43,167	20,181	9,968	PEAK
27	Commodity <sup>3</sup>	0	0	0	0	0	VOL-T
28	Direct	186,992	0	0	186,992	0	
29							
30	<b>Rate Base</b>	<b>\$25,335,546</b>	<b>\$20,684,955</b>	<b>\$3,778,394</b>	<b>\$625,502</b>	<b>\$246,695</b>	

1. Customer-related Distribution Rate Base from Schedule 4, Page 9, multiplied by the respective Customer factor from Schedule 10.

2. Demand-related Distribution Rate Base from Schedule 4, Page 9, multiplied by the respective Demand factor from Schedule 10.

3. Commodity-related Distribution Rate Base from Schedule 4, Page 9, multiplied by the respective Commodity factor from Schedule 10.

**United Cities Gas Company**  
**Illinois Distribution System**  
Calculation of Return and Income Taxes  
Test Year Ended September 30, 1999

Line No.	Item	Total	Residential	Small Commercial	Large Commercial & Cogeneration	Interruptible	Schedule Reference
1	Rate Base	\$25,335,546	\$20,684,955	\$3,778,394	\$625,502	\$246,695	4
2							
3	Overall Cost of Capital	10.14%	10.14%	10.14%	10.14%	10.14%	8
4							
5	Return	\$2,569,024	\$2,097,454	\$383,129	\$63,426	\$25,015	
6							
7	Overall Weighted Cost of Debt	3.91%	3.91%	3.91%	3.91%	3.91%	8
8							
9	<b>Interest Portion of Return</b>	<b>\$990,620</b>	<b>\$808,782</b>	<b>\$147,735</b>	<b>\$24,457</b>	<b>\$9,646</b>	
10							
11	<b>Equity Portion of Return</b>	<b>\$1,578,404</b>	<b>\$1,288,672</b>	<b>\$235,394</b>	<b>\$38,969</b>	<b>\$15,369</b>	
12							
13	Composite Tax Rate	39.75%	39.75%	39.75%	39.75%	39.75%	8
14	Tax Factor	1.66	1.66	1.66	1.66	1.66	
15							
16	<b>Income Taxes</b>	<b>\$1,041,136</b>	<b>\$850,025</b>	<b>\$155,269</b>	<b>\$25,704</b>	<b>\$10,138</b>	

**United Cities Gas Company**  
**Illinois Distribution System**  
Classification of Functional O&M Expenses  
Test Year Ended September 30, 1999

Line No.	Rate Base Items	Acct. #s	Total	Customer	Demand	Commodity	Direct	Allocation Factor	Schedule Reference
1	Production	700 - 807	\$159	\$0	\$159	\$0	\$0	PROD	15
2	Storage	814 - 848	591	0	296	296	(1)	STOR	15
3	Transmission	850 - 867	2,356	0	2,356	0	0	TRAN	15
4	Distribution								
5		870 - 871	959,444	855,201	104,243	0	0	DIST-A	15
6		872 - 873	0	0	0	0	0	CM-ONLY	15
7		874 - 875	213,600	190,393	23,207	0	0	DIST-A	15
8		876 - 876	2,780	0	0	0	2,780	DIR	15
9		877 - 877	593	529	64	0	0	DIST-A	15
10		878 - 879	84,016	84,016	0	0	0	C-ONLY	15
11		880 - 889	370,602	0	370,602	0	0	D-ONLY	15
12		890 - 890	1,074	0	0	0	1,074	DIR	15
13		891 - 891	0	0	0	0	0	DIST-A	15
14		892 - 893	226,485	226,485	0	0	0	C-ONLY	15
15		894 - 894	2,651	2,363	288	0	0	DIST-A	15
16	Total Distribution		1,861,245	1,358,987	498,404	0	3,854		
17									
18	<b>Total Functional O&amp;M</b>		<b>\$1,864,351</b>	<b>\$1,358,987</b>	<b>\$501,215</b>	<b>\$296</b>	<b>\$3,853</b>		

**United Cities Gas Company**  
**Illinois Distribution System**  
Allocation of Functional O&M Expenses  
Test Year Ended September 30, 1999

Line No.	Rate Base Items	Total	Residential	Small Commercial	Large Commercial & Cogeneration	Interruptible	Allocation Factor
1	<b>Production</b>						
2	Customer	\$0	\$0	\$0	\$0	\$0	CUST
3	Demand	159	103	33	13	10	A&P
4	Commodity	0	0	0	0	0	VOL
5	Direct	0	0	0	0	0	
6							
7	<b>Storage</b>						
8	Customer	0	0	0	0	0	CUST
9	Demand	296	194	60	28	14	PEAK
10	Commodity	296	186	65	10	35	VOL
11	Direct	(1)	0	0	0	(1)	
12							
13	<b>Transmission</b>						
14	Customer	0	0	0	0	0	CUST
15	Demand	2,356	1,526	489	189	152	A&P
16	Commodity	0	0	0	0	0	VOL-T
17	Direct	0	0	0	0	0	
18							
19	<b>Distribution</b>						
20	Customer	1,358,987	1,250,933	107,170	774	110	CUST
21	Demand	498,404	322,921	103,434	39,877	32,172	A&P
22	Commodity	0	0	0	0	0	VOL-T
23	Direct	3,854	0	0	3,854	0	
24							
25	<b>Total Functional O&amp;M</b>	<b>\$1,864,351</b>	<b>\$1,575,863</b>	<b>\$211,251</b>	<b>\$44,745</b>	<b>\$32,492</b>	
26							
27	<b>Functional O&amp;M %</b>	<b>100.00%</b>	<b>84.53%</b>	<b>11.33%</b>	<b>2.40%</b>	<b>1.74%</b>	

# United Cities Gas Company

## Illinois Distribution System

Allocation of Other Expenses  
Test Year Ended September 30, 1999

Line No.	Rate Base Items	Total	Residential	Small Commercial	Large Commercial & Cogeneration	Interruptible	Allocation Factor	Schedule Reference
1	Customer Accts & Service Expense	\$898,809	\$827,344	\$70,880	\$512	\$73	CUST	15
2								
3	Sales Expense	\$25,170	\$23,169	\$1,985	\$14	\$2	CUST	15
4								
5	Functional O&M %	100.00%	84.53%	11.33%	2.40%	1.74%		6
6								
7	A&G Expense by Functional O&M %	\$2,635,570	\$2,227,744	\$298,638	\$63,254	\$45,934		15
8								
9	Add: Functional O&M	\$1,864,351	\$1,575,863	\$211,251	\$44,745	\$32,492		6
10								
11	<b>Total O&amp;M Expense</b>	\$5,423,900	\$4,654,120	\$582,754	\$108,525	\$78,501		
12								
13	<b>Interest on Customer Deposits</b>	\$3,342	\$2,103	\$733	\$118	\$388	VOL	
14								
15	<b>Depreciation Expense</b>	\$1,776,123	\$1,450,098	\$264,881	\$43,850	\$17,294	RB-TOT	8
16								
17	<b>Property &amp; Other Taxes</b>	\$217,630	\$177,682	\$32,456	\$5,373	\$2,119	RB-TOT	8

**United Cities Gas Company**  
**Illinois Distribution System**  
Test Year Miscellaneous Inputs  
Test Year Ended September 30, 1999

Line  
No.

<b>13-Month Average Rate Base Items</b>			<b>Tax Rate</b>	
1	CWIP	2,163,418	Federal Income Tax Rate	35.00%
2	Materials & Supplies	\$282,520	Revenue Tax Rate	0.000%
3	Storage Gas	3,400,755	State Income Tax Rate-Illinois	7.30%
4	Deferred Purchase Gas Costs	\$0	Composite Tax Rate	39.75%
5	Other Deferral and Amortizations	343,456		
6	Working Capital Allowance	678,385		
7	Customer Deposits	(60,765)	<b>Allocation Factors</b>	
8	Customer Advances for Construction	(18,931)	Atmos General Office	4.67%
9	Investment Tax Credits	\$0	United Cities General Office	9.76%
10				
11	<b>Other Inputs</b>		<b>Atmos Cost of Capital</b>	
12	Accumulated Depreciation	(17,863,772)	Equity	49.80%
13	Depreciation Expense	\$1,776,123	ST Debt	9.95%
14	Accumulated Deferred Income Taxes	(2,492,808)	LT Debt	40.25%
15	Property & Other Taxes	217,630	Total Capital	100.00%
16	Interest on Customer Deposits	3,342		
17			Cost of Equity	12.50%
18	<b>Allocated Corporate Inputs</b>		Cost of ST Debt	6.10%
19	Atmos Corporate Plant Allocation		Cost of LT Debt	8.21%
20	Energas Corporate Plant Allocation			
21	Atmos Corporate Accumulated Depreciation		Weighted Cost of Equity	6.23%
22	Energas Corporate Accumulated Depreciation		Weighted Cost of ST Debt	0.61%
23	Atmos Corporate Deferred Income Taxes		Weighted Cost of LT Debt	3.30%
24	Energas Corporate Deferred Income Taxes		Overall Cost of Capital	10.14%

**United Cities Gas Company**  
**Illinois Distribution System**  
Test Year Revenue and Margin  
Test Year Ended September 30, 1999

Line No.	Item	Total	Residential	Small Commercial	Large Comm. Cogeneration Spec. Ct. Transport	Interruptible	Allocation Factor
1	Gas Sales Revenue <sup>1</sup>	\$7,666,290	\$5,893,243	\$1,342,528	\$253,075	\$177,445	
2	Unbilled Revenue	0	0	0	0	0	
3	Other Gas Revenue <sup>1</sup>	45,576	28,676	9,991	1,613	5,296	VOL
4	Transportation Revenue <sup>1</sup>	184,948	0	0	184,948	0	
5	Total Revenue	7,896,814	5,921,919	1,352,519	439,635	182,741	
6							
7	Purchased Cost of Gas <sup>2</sup>	0	0	0	0	0	
8							
9	<b>Margin</b>	<b>\$7,896,814</b>	<b>\$5,921,919</b>	<b>\$1,352,519</b>	<b>\$439,635</b>	<b>\$182,741</b>	

1. Revenue per books and has been weather normalized.
2. Purchased gas cost allocated is per books and has been weather normalized.

**United Cities Gas Company**  
**Illinois Distribution System**  
Distribution Plant Analysis  
Test Year Ended September 30, 1999

Line No.	Acct. #	Description	Total	Customer	Demand	Commodity	Direct	Allocation Factor
1	<b>Distribution Plant Accounts</b>							
2	374	Land and Land Rights	\$53,311	\$41,056	\$12,255	\$0	\$0	MIN
3	375	Structures & Improvements	4,030	3,104	926	0	0	MIN
4	376	Mains	11,766,886	9,061,883	2,705,003	0	0	MIN
5	378	Meas. & Reg. Sta. Equipment	957,029	737,025	220,004	0	0	MIN
6	379	Meas. & Reg. Sta. Equipment - City Gate	62,490	48,124	14,365	0	0	MIN
7	380	Services	9,101,771	9,101,771	0	0	0	C-ONLY
8	381	Meters	2,238,245	2,238,245	0	0	0	C-ONLY
9	382	Meter Installations	2,388,253	2,388,253	0	0	0	C-ONLY
10	383	Regulators Service	553,379	553,379	0	0	0	C-ONLY
11	384	House Reg. Installations	0	0	0	0	0	C-ONLY
12	385	Ind. Meas. & Reg. Sta. Equipment	218,288	0	0	0	218,288	DIR
13	386	Other Prop. On Customer Premise	37,770	37,770	0	0	0	C-ONLY
14	387	Other Equipment	11,939	11,939	0	0	0	C-ONLY
15	388	Contributions in Aid In Construction	0	0	0	0	0	C-ONLY
16								
17		Total Distribution Plant	\$27,393,391	\$24,222,549	\$2,952,554	\$0	\$218,288	
18		"DIST" Allocator Percents	100.00%	88.42%	10.78%	0.00%	0.80%	
19		Distribution Plant without Direct	\$27,175,103	\$24,222,549	\$2,952,554	\$0	\$0	
20		"DIST-A" Allocator Percents	100.00%	89.14%	10.86%	0.00%	0.00%	
21								
22	<b>Factors for Allocating Distribution Rate Base</b>							
22	376	Mains	42.96%	37.41%	91.62%	0.00%	0.00%	
23	380	Services	33.23%	37.58%	0.00%	0.00%	0.00%	
24	381-384	Meters/Regulators	18.91%	21.38%	0.00%	0.00%	0.00%	
25		All Other Distribution Plant	4.91%	3.63%	8.38%	100.00%	100.00%	
26								
27		Total	100.00%	100.00%	100.00%	100.00%	100.00%	

**United Cities Gas Company**  
**Illinois Distribution System**  
Distribution Mains Study  
Test Year Ended September 30, 1999

Line No.	Size	Feet	\$	\$ Per Foot
1	>=2"	2,543,218	\$6,413,228	\$2.52
2	3" and 4"	972,435	\$4,755,842	\$4.89
3	6" and 8"	84,480	\$619,326	\$7.33
4				
5	Total	3,600,133	\$11,788,396	
6				
7	Average			\$3.27
8				
9	TOT. >2"	1,056,915	\$5,375,168	\$5.09
10	@ 2" PRICE	1,056,915	\$2,665,221	\$2.52
11	Difference	1,056,915	\$2,709,947	\$2.56
12				
13	Minimum System			
14	Demand	\$2,709,947	22.99%	
15	Customer	\$9,078,448	77.01%	

**United Cities Gas Company**  
**Illinois Distribution System**  
Services Investment Study  
Test Year Ended September 30, 1999

Line  
No.

		Number	Investment	Invest/Service
1	Group A Services Lines of size			
2	1" or Less	26,234	\$8,193,047	\$312.31
3	Group B Services Lines of size			
4	greater than 1" or less than			
5	or equal to 2"	1,830	\$1,105,195	\$603.93
6	Group C Services Lines of size			
7	greater than 2" or less than			
8	or equal to 4"	6	\$5,397	\$899.56
9				
10	Total	<u>28,070</u>	<u>\$9,303,640</u>	\$331.44
11				
12	Number of Customers:			
13	Residential		22,628	
14	Small Commercial		1,939	
15	Large Commercial & Cogeneration		14	
16	Interruptible		<u>2</u>	
17	Sub-total		24,583	
18			-	
19				
20	Total		<u>24,583</u>	
21				
22	Services:		28,070	
23	Net Customers		<u>24,583</u>	
24	Ratio of Services to Customers		<u>114.19%</u>	
25				
26	Assumptions			
27				
28	1. All Residential Services are in Group A			
29	2. Small Commercial Services fall into Group A and Group B			
30	3. Large Commercial & Cogeneration Services fall into Group B and Group C			
31	4. Interruptible Services are in Group C			
32	5. Services in Inventory are in proportion to Services in use			

**United Cities Gas Company**  
**Illinois Distribution System**  
Services Investment Study  
Test Year Ended September 30, 1999

Line  
No.

Line No.		Service Allocation:				
		Total	Residential	Small Commercial	Large Commercial & Cogeneration	Interruptible
1						
2	Service Allocation:					
3						
4						
5	Net Customers	24,583	22,628	1,939	14	2
6	Services					
7	Group A	26,234	25,839	395		
8	Group B	1,830		1,819	11	
9	Group C	6			5	2
10						
11	Total	28,070	25,839	2,214	16	2
12						
13	Services - Gross Plant Value:					
14		Total	Total	Invest.		
15		Services	Investment	Per Service		
16	Group A	25,839	\$8,069,686	\$312.31		
17	Group A - Sm Com	395	\$123,361	\$312.31		
18	Group B - Sm Com	1,819	\$1,098,552	\$603.93		
19	Group B - Lg Com & Cogen	11	\$6,643	\$603.93		
20	Group C - Lg Com & Cogen	5	\$3,855	\$771.05		
21	Group C- Interruptible	2	\$1,542	\$771.05		
22						
23	Total	28,071	\$9,303,640	\$331.43		
24						
25	Gross Plant Value Allocation:					
26						
27		Total	Residential	Small Commercial	Large Commercial & Cogeneration	Interruptible
28						
29	Group A	\$8,193,140	\$8,069,778	\$123,362		
30	Group B	\$1,105,192		\$1,098,549	\$6,643	
31	Group C	\$5,397			\$3,855	\$1,542
32						
33	Total	\$9,303,729	\$8,069,778	\$1,221,911	\$10,498	\$1,542
34						
35	Services	28,071	25,839	2,214	16	2
36						
37	Investment/Service		\$312.31	\$551.90	\$656.13	\$771.00
38						
39	Relative Investment		1.0	1.8	2.1	2.5

**United Cities Gas Company**  
**Illinois Distribution System**  
Meter Investment Study  
Test Year Ended September 30, 1999

Line  
No.

		Number	Investment	Invest/Meter
1	Group A Meters with Capacity of 250			
2	CFH or Less (Class 1)	26,063	1,652,909.23	\$63.42
3	Group B Meters with Capacity of Greater			
4	Than 250 CFH and Less Than or			
5	Equal to 450 CFH (Class 2)	2,095	529,511.25	\$252.75
6	Group C Meters with Capacity of			
7	Greater Than 450 CFH			
8	(Class 4)	62	67,988.08	\$1,096.58
9	(Class 6)	5	5,818.79	\$1,163.76
10	(Class 8)	1	1,275.00	\$1,275.00
11	(Class 9)	2	1,855.13	\$927.57
12	(Classes 4 - 9)	70	\$76,937	\$1,099.10
13				
14	Total	<u>28,228</u>	<u>\$2,259,357</u>	\$80.04
15				
16	Number of Customers:			
17	Residential		22,628	
18	Small Commercial		1,939	
19	Large Commercial & Cogeneration		14	
20	Interruptible		2	
21	Sub-total		<u>24,583</u>	
22				
23				
24	Total		<u>24,583</u>	
25				
26	Services:		28,228	
27	Net Customers		<u>24,583</u>	
28	Ratio of Services to Customers		<u>114.83%</u>	
29	Assumptions			
30				
31	1. All Residential Meters are in Group A			
32	2. Small Commercial Meters fall into all three Groups			
33	3. Large Commercial & Cogen and Interruptible Meters are in Group C			
34	4. Meters in Inventory are in proportion to Meters in use			
35				

**United Cities Gas Company**  
**Illinois Distribution System**  
Meter Investment Study  
Test Year Ended September 30, 1999

Line  
No.

1	Meter Allocation:					
2						
3		Total	Residential	Small Commercial	Large Commercial & Cogeneration	Interruptible
4	Net Customers					
5	Meters	24,583	22,628	1,939	14	2
6						
7	Group A	26,063	25,984	79		
8	Group B	2,095		2,116		
9	Group C	70		52	16	2
10						
11	Total	28,228	25,984	2,247	16	2
12	Meters - Gross Plant Value:					
13						
14		Total	Total	Invest.		
15		Meters	Investment	Per Meter		
16	Group A	25,984	\$1,647,899	\$63.42		
17	Group A -Sm Com	79	\$5,010	\$63.42		
18	Group B -Sm Com	2,116	\$529,511	\$250.24		
19	Group C -Sm Com	52	\$57,153	\$1,099.10		
20	Group C -Lg Com & Coge	16	\$17,586	\$1,099.10		
21	Group C- Interruptible	2	\$2,198	\$1,099.10		
22						
23	Total	2,186	\$606,448	\$277.42		
24	Gross Plant Value Allocation:					
25						
26						
27		Total	Residential	Small Commercial	Large Commercial & Cogeneration	Interruptible
28						
29	Group A	\$1,652,909	\$1,647,899	\$5,010		
30	Group B	\$529,511		\$529,511		
31	Group C	\$76,937		\$57,153	\$17,586	\$2,198
32						
33	Total	\$2,259,357	\$1,647,899	\$591,675	\$17,586	\$2,198
34						
35	Meters	28,249	25,984	2,247	16	2
36						
37	Investment/Meter		\$63.42	\$263.32	\$1,099.10	\$1,099.10
38						
39	Relative Investment		1.0	4.2	17.3	17.3

**United Cities Gas Company**  
**Illinois Distribution System**  
Gross Plant Detail  
Test Year Ended September 30, 1999

Account #	Description	Gross Plant
<b>INTANGIBLE PLANT</b>		
3010000	Organization	40,190
3020000	Franchises & Consents	120,538
3030000	Other Misc. Intangibles	72,576
Total Intangible Plant		233,304
<b>PRODUCTION PLANT</b>		
3040010	Land & Land Rights	11,906
3050000	Structures & Improvements	13,896
3110005	Liquefied Petro Gas Equip.	7,000
3190000	Gas Mixing Equipment	269,267
Total Production Plant		302,069
<b>STORAGE PLANT</b>		
3550000	Measuring and Regulating Equipment	98
Total Storage Plant		98
<b>TRANSMISSION PLANT</b>		
3650010	Land & Land Rights	16,695
3650020	Rights of Way	41,476
3660020	Structures & Improvements	534
3670000	Mains	2,066,274
3690000	Meas. & Reg. Sta. Equipment-	169,597
Total Transmission Plant		2,294,575
<b>DISTRIBUTION PLANT</b>		
3740020	Land & Land Rights	53,311
3750010	Structures & Improvements	4,030
3760000	Mains	11,766,886
3780010	Meas. & Reg. Sta. Equipment	957,029
3790030	Meas. & Reg. Sta. Equipment - City Gate	62,490
3800000	Services	9,101,771
3810000	Meters	2,238,245
3820000	Meter Installations	2,388,253
3830000	Regulators	553,379
3850010	Ind. Meas. & Reg. Sta. Equipment	218,288
3860000	Other Prop. On Customer Prem.	37,770
3870000	Other Equipment	11,939
Total Distribution Plant		27,393,391

**United Cities Gas Company**  
**Illinois Distribution System**  
Gross Plant Detail  
Test Year Ended September 30, 1999

Account #	Description	Gross Plant
<b>GENERAL PLANT</b>		
3890000	Land & Land Rights	81,095
3900002	Structures & Improvements	1,440,411
3900003	Leasehold Improvements	118,450
3900009	Improvements to leased property	247,081
3910000	Office Furn. & Fixtures	584,260
3918300	Office Furn. - copiers and typewriters	35,379
3920000	Transportation Equipment	839,514
3930000	Stores Equipment	14,506
3940000	Tools, Shop, & Garage Equip.	299,323
3940077	Tools and work equipment	1,025
3950000	Laboratory Equipment	314
3960000	Power Operated Equipment	229,302
3970000	Commo. Equipment	252,597
3980000	Miscellaneous Equipment	63,355
3990000	Owned Computer Equip.	978,739
3990100	Oth Tang Prop - Servers - H/W	119,376
3990200	Oth Tang Prop - Servers - S/W	110,500
3990300	Oth Tang Prop - Network - H/W	29,287
3992400	Oth Tang Prop - General Startup Cost	292,391
3998400	Oth Tang Prop - CPU	33,991
3998500	Oth Tang Prop - MF	36,362
3998600	Oth Tang Prop - PC Hardware	620,961
3998700	Oth Tang Prop - PC Software	413,455
3998800	Oth Tang Prop - Application Software	1,704,072
3998900	Oth Tang Prop - System Software	134,106
Total General Plant		<u>8,679,852</u>
Total Plant		<u><u>38,903,289</u></u>

**United Cities Gas Company**  
**Illinois Distribution System**  
Transmission Expenses  
Test Year Ended September 30, 1999

NARUC	Description	Total
	850 Operating Supervision and EN	196
	851 System Control and Load Disp.	0
	852 Communication System Expen	0
	853 Comp St Lbr & Exp	0
	854 Gas Comp St Fuel	0
	855 Compressor Station Fuel &	0
	856 Mains Expenses	1,211
	857 Measuring and Regulating Sta.	839
	858 Trsm&Comp Gas OT	0
	859 Other Expenses	0
	860 Rents	0
	861 Maintenance Supervision &	0
	862 Maintenance of Structures	0
	863 Maintenance of Mains	82
	864 Maint Comp St Epuip	0
	865 Maint of Meas. & Regulati	27
	866 Trsm - Maint Comm Equipment	0
	867 Other Equipment	0
<b>Total Transmission Expenses</b>		<b>2,356</b>

**United Cities Gas Company**  
**Illinois Distribution System**  
Distribution Expenses  
Test Year Ended September 30, 1999

NARUC	Description	Total
870	Supervision & Engineering	947,413
871	Load Dispatching & Odorization	12,031
872	Compressor Station Labor & Exp	0
874	Mains & Service Expenses	158,162
875	Meas. & Reg. Sta. Expenses - Gen	55,438
876	Meas. & Reg. Sta. Expenses - Ind	2,780
877	Meas. & Reg. Sta. Expenses - City Gate	593
878	Meter & House Reg. Expenses	73,223
879	Customer Installations Expenses	10,793
880	Other Expenses	18,017
881	Rents	38,955
885	Supervision & Engineering	16,892
886	Structures - Improvements	5,692
887	Mains	278,148
889	Meas. & Reg. Sta. Equip. - General	12,898
890	Meas. & Reg. Sta. Equip. - Ind	1,074
891	Meas. & Reg. Sta. Equip. - City Gate	0
892	Services	135,746
893	Meter & House Regulators	90,739
894	Other Equipment	2,651
<b>Total Distribution Expenses</b>		<b>1,861,245</b>

**United Cities Gas Company**  
**Illinois Distribution System**  
Customer Expenses  
Test Year Ended September 30, 1999

NARUC	Description	Total
901	Supervision	47
902	Meter Reading Expenses	147,028
903	Customer Records & Collection Expenses	119,775
904	Uncollectible Accounts	26,285
905	Misc. Customer Accounts Expenses	535,450
		828,584
907	Supervision	54,831
908	Customer Assistance Expenses	906
909	Informational Advertising	3,047
910	Miscellaneous Cust. Assist. & Inform. Exp.	11,441
911	Supervision	
<b>Total Customer Account and Service Expenses</b>		<b>898,809</b>

**United Cities Gas Company**  
**Illinois Distribution System**

**Sales Expenses**

Test Year Ended September 30, 1999

NARUC	Description	Total
912	Sales - Demonstrating	218
913	Sales - Advertising expense	1,356
915	Supervision	19,397
916	Demonstrating and Selling	4,199
917	Promotional Advertising Expenses	
<b>Total Sales Promotion Expenses</b>		<b>25,170</b>

**United Cities Gas Company**  
**Illinois Distribution System**

**A&G Expenses**

Test Year Ended September 30, 1999

NARUC	Description	Total
920	A & G Salaries	0
921	Office Supplies & Expenses	2,425
922	Administrative Exp Transferred	2,336,743
923	Outside Services	99,155
924	Property Insurance-Debits	0
925	Injuries and Damages	16,482
926	Employee Welfare/Pensions	0
927	Franchise Requirements	30,651
928	Regulatory Commission Expenses	92,786
929	Duplicate Charges	56,289
930	Miscellaneous General	1,038
<b>Total Administrative &amp; General</b>		<b>2,635,570</b>

**United Cities Gas Company**  
**Illinois Distribution System**  
**Production Expenses**  
Test Year Ended September 30, 1999

NARUC	Description	Total
700	Operation Supervision and Engineering	120
701	Operation Labor	0
702	Boiler Fuel	0
703	Miscellaneous Steam Expenses	0
704	Steam Transferred-Credit	0
705	Maintenance Supervision and Engineering	0
706	Maintenance of Structures	0
707	Maintenance of Boiler Plant Equipment	0
708	Maintenance of Other Steam Prod. Plant	0
710	Operation Supervision and Engineering	0
711	Steam Expenses	0
712	Other Power Expenses	0
713	Coke Oven Expenses	0
714	Producer Gas Expenses	0
715	Water Gas Generating Expenses	0
716	Oil Gas Generating Expenses	0
717	Liquefied Petroleum Gas Expense	0
718	Other Process Production Expenses	0
719	Fuel Under Coke Ovens	0
720	Producer Gas Fuel	0
721	Water Gas Generator Fuel	0
722	Fuel for Oil Gas	0
723	Fuel for LPG	0
724	Other Gas Fuels	0
725	Coal Carbonized in Coke Ovens	0
726	Oil for Water Gas	0
727	Oil for Oil Gas	0
728	LPG	0
729	Raw Materials for Other Gas Processes	0
730	Residuals Expenses	0
731	Residuals Produced - Credit	0
732	Purification Expenses	0
733	Gas Mixing Expenses	0
734	Duplicate Charges - Credit	0
735	Misc. Production Expense	0
736	Rents	0
740	Maintenance Supervision and Engineering	0
741	Maintenance of Structures	0
742	Maintenance of Production Equipment	39
750	Supervision & Engineering	0
751	Maps & Records	0
752	Gas Wells Expenses	0
753	Field Lines Expenses	0
754	NG Prod-Op-Fld Comp St	0
754.01	NG Prod-Op-Gthr Ln Trans	0
755	Field Compressor Station Fuel	0
756	Field Measuring & Regulation	0
757	Purification Expenses	0
758	Gas Wells Royalty	0

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Prepared By Daniel M. Ives  
Lukens Consulting Group, Inc.

**United Cities Gas Company**  
**Illinois Distribution System**  
**Production Expenses**  
Test Year Ended September 30, 1999

NARUC	Description	Total
759	Other Expenses	0
760	Rents	0
761	Supervision & Engineering	0
762	Maintenance of Structures	0
765	Maintenance of Field Compressors	0
766	Maintenance of Field Compressors	0
767	Purification Expenses	0
768	Maintenance of Drilling and Cleaning Equipment	0
769	Other Equipment	0
770	Supervision & Engineering	0
771	Labor	0
772	Gas Shrinkage	0
773	Fuel	0
774	Power	0
775	Materials	0
776	Operating Supplies and Expenses	0
777	Gas Production by Others	0
778	Royalties on Products Extracted	0
779	Marketing Expenses	0
780	Products Purchased for Resale	0
781	Variation in Products Inventory	0
782	Extracted Products Used by the Utility - Credit	0
783	Rents	0
784	Supervision & Engineering	0
785	Maintenance of Structures	0
786	Extraction & Refining	0
787	Maintenance of Pipelines	0
788	Maintenance of Extracted Products Storage Equiprr	0
789	Maintenance of Compressor Equipment	0
790	Maintenance of Gas Measuring and Regulating Equ	0
791	Maintenance of Other Equipment	0
795	Delay Rentals	0
796	Nonproductive Well Drilling	0
797	Abandoned Leases	0
798	Other Exploration	0
799	Exp/Dev-Maint-Trans-PGA	0
799.01	Exp/Dev-Opt-Trans-PGA-Cr	0
807	Purchased Gas Expenses	0
<b>Total Production Expenses</b>		<b>159</b>

**United Cities Gas Company**  
**Illinois Distribution System**  
**Storage Expenses**  
Test Year Ended September 30, 1999

NARUC	Description	Total
814	Supervision & Engineering	0
815	Maps and Records	0
816	Wells Expenses	0
817	Lines Expenses	0
818	Compressor Station Expenses	0
819	Compressor Station Fuel	0
820	Measuring & Regulation Station	0
821	Purification Expenses	0
822	Exploration and Development	0
823	Gas Losses	0
824	Other Expenses	0
825	Storage Well Royalties	0
826	Rents	0
830	Maintenance Supervision and Engineering	0
831	Maintenance of Structures	0
832	Maintenance of Reservoirs	0
833	Maintenance of Lines	0
834	Maintenance of Compressors	0
835	Maintenance of Measuring & Reg.	0
836	Maintenance of Purification	0
837	Maintenance of Other Equipment	0
840	Operation Supervision and Engineering	257
841	Operation Labor and Expenses	334
842	Rents	0
842.1	Fuel	0
842.2	Power	0
842.3	Gas Losses	0
843	Maintenance Supervision and Engineering	0
844	Maintenance of Structures	0
845	Maintenance of Gas Holders	0
846	Maintenance of Purification	0
847	Maintenance of Liquifaction Equipment	0
848	Maintenance of Vaporizing Equipment	0
848.1	Maintenance of Compressors	0
848.2	Maintenance of Measuring & Reg.	0
848.3	Maintenance of Other Equipment	0
<b>Total Storage Expenses</b>		<b>591</b>

**United Cities Gas Company**  
**Illinois Distribution System**

Purchased Gas Cost  
Test Year Ended September 30, 1999

NARUC	Description	Total
800	Natural Gas Wellhead Purchases	
801	Other Gas Supply-Opt-Fld	
803	Natural Gas Transmission	
804	Natural Gas City Gate Purchases	
805	Other Gas Purchases	
806	Other Gas Supply-Opt-Exchange	
808	Gas Withdrawn from Storage	
809	Gas Delivered to Storage	
811	Other Gas Supply-Opt-Gas Used	
812	Gas Used for Other Utility	
813	Other Gas Supply-Opt-Other Gas	
<b>Total Purchased Gas Costs</b>		<b>0</b>